

STAND. COM. REP. NO.

1194

Honolulu, Hawaii

APR 09 2009

RE: H.B. No. 35
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 35, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to provide the general income tax credit under Article VII, section 6 of the Hawaii Constitution.

Specifically, this measure fulfills the requirement of Article VII, section 6, of the Hawaii Constitution that the Legislature provides a tax credit or tax refund when the state general fund balance, at the close of each of two successive fiscal years, exceeds five per cent of the general fund revenues for each of the two fiscal years.

One state agency provided testimony that supported the intent of this measure, one private organization provided comments. Written testimony may be reviewed on the Legislature's website.

Your Committee finds that the conditions of Article VII, section 6, of the Hawaii Constitution have been satisfied because of the surplus in general fund revenues realized over the past two fiscal years. Your Committee feels that despite the economic constraints placed on the budgetary consideration of late, the Legislature is obligated to comply with the State Constitution and provide a tax credit or tax refund to the taxpayers of the State.

HB35 SD1 SSCR LRB 09-3348.doc



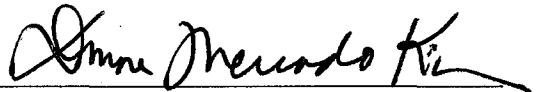
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Your Committee has amended the measure by:

- (1) Making the general income tax credit unspecified; and
- (2) Making the effective date July 1, 2050, for purposes of facilitating further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 35, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 35, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DONNA MERCADO-KIM, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 35, HD1	Committee Referral: WAM	Date: APRIL 2, 2009		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani				/
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood	/			
HEE, Clayton				/
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.				/
TOKUDA, Jill N.	/			
HEMMINGS, Fred				/
TOTAL	8			4
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: 				
Distribution: <div style="display: flex; justify-content: space-between; font-size: small;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

***Only one measure per Record of Votes**